

ENVIRONMENTAL MANAGEMENT INSTRUMENTS AND PARTNERSHIP WITH INDUSTRY FOR CLEAN PRODUCTION

(TC-99-11-03-5-PN)

EXECUTIVE SUMMARY

Executing agencies:	National Private Enterprise Council (CONEP) and National Environmental Agency (ANAM)												
Beneficiaries:	The beneficiaries are as follows: (i) 40 small and medium-sized industrial enterprises (SMEs) benefiting from improved competitiveness and environmental performance; (ii) 600 individuals and 300 enterprises, to be trained in the introduction of clean production processes; (iii) 14 SMEs, through in-plant environmental management initiatives; (iv) CONEP, by strengthening its technical and other resources, expanding its sphere of action and capacity to manage clean production systems (CPS); (v) the Government of Panama and ANAM, by furnishing them with instruments creating incentives to comply with the provisions of the General Environment Act and ensuing regulations; and (vi) the general public, by reducing pollution.												
Financing:	<table> <tr> <td>Modality:</td><td></td></tr> <tr> <td>MIF:</td><td>US\$1,213,000</td></tr> <tr> <td>Facility I:</td><td>US\$400,880</td></tr> <tr> <td>Facility II:</td><td>US\$812,120</td></tr> <tr> <td>Local counterpart (ANAM/CONEP):</td><td>US\$ 519,800</td></tr> <tr> <td>Total:</td><td>US\$1,732,800</td></tr> </table>	Modality:		MIF:	US\$1,213,000	Facility I:	US\$400,880	Facility II:	US\$812,120	Local counterpart (ANAM/CONEP):	US\$ 519,800	Total:	US\$1,732,800
Modality:													
MIF:	US\$1,213,000												
Facility I:	US\$400,880												
Facility II:	US\$812,120												
Local counterpart (ANAM/CONEP):	US\$ 519,800												
Total:	US\$1,732,800												
Objectives:	<p>The general objective is to help improve the competitiveness of SMEs through the development and implementation of environmental management instruments.</p> <p>The specific objectives are to: (i) develop environmental management instruments; and (ii) help strengthen supply and stimulate demand for CPS-related services.</p>												

Description: The project has been divided into the following three components: (i) regulatory framework; (ii) quality and environmental management in industry; and (iii) institutional strengthening and information dissemination.

Component I. Regulatory framework

This component provides for the development of environmental management instruments helping to promote clean production systems through regulations envisaged in the General Environment Act and other regulations which, while not expressly contemplated, are required in the industrial sector. The focus is on proposed regulations, standards and procedures given highest priority based on consultations with the private sector and ANAM.

Component II. Quality and environmental management in industry

This component provides for promotional and training efforts to strengthen supply and demand for clean production systems, as well as the introduction and demonstration of clean production systems, working directly with small- and medium-sized enterprises.

Component III. Institutional strengthening and information dissemination

This component will endeavor to strengthen the operational units in ANAM and CONEP that will be responsible for disseminating information on the results of the project, particularly those lending themselves to replication by other SMEs through the use of case studies.

Execution timetable:	Execution period:	48 months
	Disbursement period:	52 months

Environmental and social review: This project will have a positive environmental impact. It is designed to provide support for SMEs in the introduction and use of environmental management instruments that will improve their competitiveness. The Committee on Environment and Social Impact reviewed and approved the project abstract on 18 August 2000, and made specific recommendations which are reflected in the document.

**Special
contractual
clauses:**

Conditions precedent to the first disbursement: (i) evidence of a signed agreement between ANAM and CONEP establishing the obligations of both parties for project execution purposes; (ii) selection of the two coordinators for the CONEP and ANAM units based on Bank-approved terms of reference; (iii) presentation of a work plan and disbursement timetable, to the Bank's satisfaction, for the first six months of execution; and (iv) evidence of an agreement on technical standards and regulations, signed by ANAM-MICI and COPANIT.

**Exceptions to
Bank policy:**

None.